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DIRECTORATE OF
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MAHARASHTRA

Hindu-Muslim Rioting Since 7 May



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India: Violent clashes between Hindus and Muslims are continuing sporadically in the state of Maharashtra despite strict security measures.

Communal rioting first broke out during a local celebration on 7 May in Bhiwandi, and quickly spread to neighboring villages. So far, about 130 people have been killed--mostly Muslims. Although the death toll does not nearly approximate the 1,500-3,000 killed in communal riots last fall in the neighboring state of Gujarat, the situation is serious and Maharashtra authorities are concerned.

The Shiv Sena, a local chauvinistic group that attempts to gain supporters by exploiting popular grievances, and the Jana Sangh, a militant Hindu political party, have been exacerbating already tense communal feelings for some time. The Shiv Sena, in particular, appears to bear a major responsibility for further inflaming communal tensions after the original outbreak of violence. There is also a general feeling that the partiality of the predominantly Hindu police force--reportedly infiltrated by the Shiv Sena--has hindered its ability to deal effectively with both communities.

Security authorities are taking extensive precautions to prevent the rioting from spreading to Bombay city proper. All public processions scheduled for a Muslim holiday on 18 May have been canceled, but the city remains tense and the ability of the police to maintain order could be severely tested.

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CEMA: Romania's failure to participate in the International Investment Bank created at the recent CEMA session not only reflects its independent political posture but also economic considerations.

The bank is designed to stimulate multilateral investments in joint development projects of CEMA countries. The Romanians probably feel that such increased economic integration would limit their pursuit of expanded economic relations with Western countries.

The prime ministers attending the meeting also discussed means to improve coordination of five-year plans and to increase economic integration among member states. The Polish press indicated that the committee sessions were stormy and punctuated by "lively, controversial" debates that lasted well into the evening.

The session resulted in the establishment of an International Institute of Economic Problems to study and make recommendations for the solution of problems of common concern. It also was agreed to expand activities of the existing International Bank for Economic Cooperation, to improve the system of settling multilateral accounts, and to increase short-term credits among members. This meeting apparently contributed little to the preparation of the long-term economic program called for over a year ago.

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Finland: President Kekkonen has ended two months of political drift by appointing Helsinki Mayor Teuvo Aura to head a nonpartisan government.

Attempts to form a new government reflecting the sharp swing to the right in the parliamentary elections of 15-16 March were repeatedly stymied by the non-negotiable demands put forward by the major center and left parties as their price for joining any new majority coalition.

Kekkonen decided on the nonpartisan alternative as the best solution because he was faced with the necessity of explaining Finland's political course to Moscow during his visit there later this month. Another factor prompting his decision was the threat to future economic stability arising from the lack of a government empowered to negotiate new wage and price guidelines.

In line with the officially neutral complexion of the new government, the known political loyalties of the ministers are divided evenly between the moderate right, the center, and the moderate left. Both the Rural Party of the radical right and the Communists have been left out of the cabinet, as have all the current members of Parliament. Almost all the ministers in the new government have broad experience in high-level government administration. They are a mix of high-level bureaucrats, retired politicians, and other prominent figures in Finnish public life.

Kekkonen is obviously counting on their knowledge and prestige to gain parliamentary support for a short recess of normal political activity. [REDACTED]

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Yugoslavia - West Germany: The presence of a high-level Yugoslav party delegation at this week's Social Democratic Party (SPD) congress in Saarbrücken underscores Yugoslavia's determination to strengthen its political ties in Western Europe.

The visit is labeled by the Yugoslavs as a "realization of Belgrade's policy of openness." The delegation, led by high party official Stane Dolanc, repays the attendance of SPD observers--for the first time in history--at last year's Yugoslav party congress. Since that time contacts between the two parties have continued, with ranking SPD officials visiting Belgrade last December for talks with officials of the Yugoslav mass political organization, the Socialist Alliance. The Yugoslavs have invited the secretary general of the Social Democratic Party to Yugoslavia on a working vacation this summer as a means of continuing the ties.

Dolanc's visit underlines the poor state of Yugoslavia's political relations with East Germany. Party contacts have been nonexistent since the falling out over Czechoslovakia. Relations again became exacerbated last fall with the disclosure of East German party documents, criticizing the Yugoslavs for "revisionist deviation." Pankow said the documents were counterfeit. More recently, East German Foreign Minister Otto Winzer's visit to Belgrade--the first political dialogue between the two countries since the Czechoslovak affair--was treated with decided coolness by the Yugoslavs. [REDACTED]

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Bolivia: The minister of interior has enun-
ciated a tough policy toward leftist dissidents who
previously had been wooed by the Ovando government.

In a move clearly designed to accommodate the
armed forces, which have been concerned over the
government's permissive attitude toward extreme
leftist groups, Interior Minister Ayoroa released
a communiqué on 13 May emphasizing the law and or-
der theme. He warned labor leaders against "calls
for violence" and declared that the military would
continue with the "revolution" it began, but would
not permit the establishment of a socialist system,
as called for by the recent national labor congress.

The tough policy was put into action Wednesday
night when police raided a university print shop in
La Paz, confiscating copies of Carlos Marighella's
"Mini-Manual of the Urban Guerrilla" and Che Gue-
vara posters. The police raid on the previously
sacrosanct university grounds and the verbal attack
on labor may foreshadow further government moves to
clip the growing power of the radical left and
placate the military.

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Venezuela: Anti-US and antigovernment demonstrations continue, but they have so far failed to generate popular support.

On 14 May about 4,000 people dispersed quietly after demonstrating at the National Congress. The demonstrations began on 5 May with protests against US policies in Southeast Asia and reached a climax two days later, when clashes between police and students resulted in the death of a student. Since then small demonstrations have taken place daily throughout Venezuela.

The student's death and a labor dispute in Valencia, an industrial city west of Caracas, have complicated the situation. Since 7 May the protest has been directed more against the Caldera government and the police than against the US. The labor trouble in Valencia--an illegal strike at the Ford assembly plant--has coincided with the anti-US protests. The government, continuing its firm stand of the past six months, ordered troops to protect the plant and preserve order.

At the same time Caldera fired his labor minister in a minor cabinet reshuffle. His replacement is from the conservative wing of Caldera's Social Christian Party.

If labor leaders persist in their intention to call a general strike, they may face a showdown with the government.

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Laos: Enemy forces are continuing their war of nerves against Saravane. Two rockets landed within the provincial capital early on 15 May, but caused no casualties or damage. An unspecified number of Communist troops reportedly have moved within two miles of the town, but no fighting has developed. Two government irregular battalions have been dispatched from Long Tieng to the southern military region and are expected to bolster government efforts to maintain control of the eastern edge of the Bolovens Plateau. The situation in the north remains quiet. [REDACTED]

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Lebanon: For the past two days, the cabinet has been unable to decide on any course of action regarding the movement of Syrian-supported fedayeen into southern Lebanon. The exact situation is not clear, but President Hilu maintains that large numbers of regular Syrian Army troops accompanied the fedayeen. Interior Minister Jumblatt and fedayeen spokesmen, however, claim that the incursion was only a normal rotation of men into the area and that there are no Syrian troops present.

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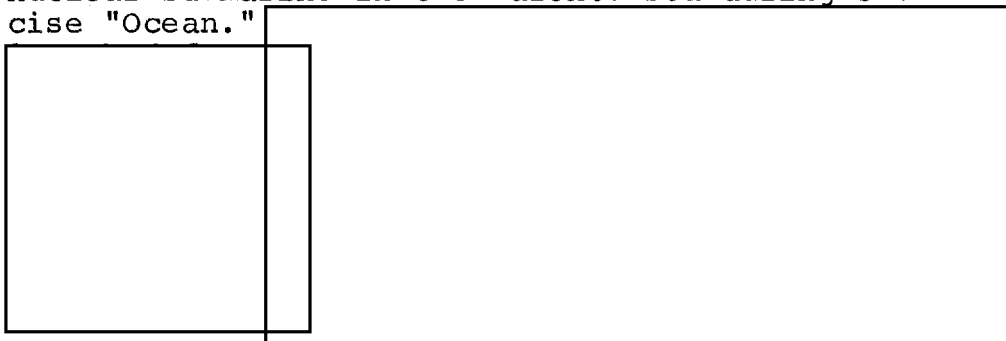
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USSR: The missiles on the new C-class nuclear submarine probably are intended for use against surface ships. A recent Izvestiya article describes the launch of antiship missiles from a submerged nuclear submarine in the Barents Sea during exercise "Ocean."



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Mexico: Revived student discord in Mexico City could develop into a serious confrontation with the government. On Thursday, with the aid of the Communist Party, the students staged a march and demonstration with the stated purpose of protesting US action in Cambodia. The demonstration soon turned, however, to an attack on the government and presidential candidate Luis Echeverria Alvarez. The students probably plan to threaten disruption of the World Cup soccer matches, scheduled to be held in Mexico City in June, to gain worldwide attention for their protests. Thursday's demonstration was the first major protest against government policies since the riots on the eve of the 1968 Olympics. It has shown the dissidents that they can successfully challenge the administration's prohibition of large gatherings.

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Ecuador: President Velasco has taken some long-anticipated measures to help alleviate the serious fiscal crisis. The imposition on 12 May of new taxes which appear to transcend the constitutional powers of the executive has come under sharp attack from influential business interests, especially in the commercial center of Guayaquil. Similar opposition from Guayaquil business interests over tax measures in October 1961 coupled with widespread public disturbances led to Velasco's ouster from the presidency one month later. [REDACTED]

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